



Incident Management and Notification Policy

August 2024

Version Control

Version	Status	Date	Notes	By Whom
0.1	Draft	xx/xx/2021	Initial draft	Thamer James Ltd
1.0	Final	01/07/22	For publication	Paul Bentley
2.0	Final	19/07/23	Final	Paul Bentley
3.0	Final	29.08.24	Amended	Paul Bentley

Document Governance

Policy Owner	Head of Regulation
Approver	Chief Executive Officer
Date approved	28.08.24
Date last reviewed	August 2024
Review frequency	Annual
Next review date	August 2025
Responsible for document management	Head of Regulation

Table of Contents

1. Purpose	3
2. Regulatory Requirements	3
3. Scope	3
4. Roles and Responsibilities	3
a) Head of Regulation	3
b) Senior Leadership Team	4
c) Business Areas	4
5. Types of Incidents	4
a) FCA Regulatory Incident	4
b) Data Protection Incident	4
c) Systems and Controls Incident	5
d) Conduct rules incident	5
e) Senior Managers Regime Notifiable Events	6
6. Minimum Standards	6
a) Identifying an Incident	6
b) Classification and Management	7
c) Closure of an incident	7
d) FCA notification?	7
7. Training	8
8. Oversight	8
9. Record Keeping	8
10. Annual Review	8
11. Appendix 1: Incident Severity Assessment Matrix	9

1. Purpose

Incident management plays an important role in helping us to maintain a safe and a secure working environment. It helps to identify and manage any weaknesses in our systems and controls.

This policy seeks to ensure that incidents are identified, logged, appropriate remedial action is taken to resolve the incident and that we do not have a re-occurrence of the same issue.

2. Regulatory Requirements

This policy will help us to meet the following FCA principles:

- PRIN 2: A firm must conduct its business with due skill, care and diligence
- PRIN 3: A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems
- PRIN 11: A firm must deal with its regulators in an open and cooperative way and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice.

3. Scope

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located.

4. Roles and Responsibilities

a) Head of Regulation

- Maintaining a central repository of all incidents and tracking the remediation of the incidents to closure
- Providing regulatory guidance where required
- Formally signing off the closure of significant (high and critical) regulatory incidents
- In consultation with the CEO, notifying relevant matters to applicable regulators.

b) Senior Leadership Team

- Maintaining oversight of incidents, key trends and any improvements we may need to make to our systems and controls
- Overseeing the resolution of high and critical impact incidents.

c) Business Areas

- Identifying and recording incidents
- Managing the investigation of the incident, documenting the root cause, designing and delivering remedial actions within agreed timelines
- Closing incidents once the issue is resolved
- Implementing appropriate controls to prevent a reoccurrence.

5. Types of Incidents

An incident is a failure to follow a regulatory or a legislative requirement or an internal process which can give rise to customer detriment and/or internal harm. There are different types of incidents:

a) FCA Regulatory Incident

- A breach of any of the FCA's rules and requirements, as outlined within the FCA Handbook.
- A breach of any UK legislation or law - e.g., incident of employment law when recruiting staff

b) Data Protection Incident

- A breach of Golden Leaves' Data Protection or Information Governance standards.
- A breach of the law on Data Protection - i.e., the Data Protection Act 2018
- Serious data protection incidents also need to be reported to the Information Commissioner's Office within 72 hours of becoming aware of the incident.

c) Systems and Controls Incident

- A breach of any of the Golden Leaves' internal policies and standards, for example failure to issue documents to a client, failure to report gifts and hospitality, failure to properly manage conflicts of interests.

d) Conduct rules Incident

The Conduct Rules were brought in under the Senior Managers and Certification Regime (SMCR) and there are 2 tiers as detailed below. The aim of the Conduct Rules is to create positive behaviours within firms to reduce any harm to either customers or the market.

TIER	CODE	RULE	FCA Handbook Reference
First Tier Individual Conduct Rules	1	You must act with integrity	COCON 2.1.1R
	2	You must act with due care, skill and diligence	COCON 2.1.2R
	3	You must be open and cooperative with the FCA, the PRA and other regulators	COCON 2.1.3R
	4	You must pay due regard to the interests of customers and treat them fairly	COCON 2.1.4R
	5	You must observe proper standards of market conduct	COCON 2.1.5R
Second Tier Senior Manager Conduct Rules	SC1	You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively	COCON 2.2.1R
	SC2	You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system	COCON 2.2.2R
	SC3	You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively	COCON 2.2.3R
	SC4	You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice	COCON 2.2.4R

Any breaches of these behavioural standards will need to be notified to the FCA.

e) Senior Managers and Certification Employees - Notifiable Events

SMF role holders and Certified individuals are required to notify their line manager immediately of any changes to their circumstances, whether personal, financial or legal, which may call into question their continuing fitness and propriety. The line manager is required to inform the HR Director and the Head of Regulation.

This includes incidences where an individual is:

- Charged with or convicted of any criminal offence
- Presented with a petition for bankruptcy
- Being declared bankrupt
- Having any assets sequestered
- Making a compromise or arrangement with creditors
- Being disqualified under the Company Directors Disqualification Act 1986

Golden Leaves is also required to report any breaches of conduct rules to the FCA. Breaches of conduct rules by Senior Managers must be reported within 7 days of the conclusion of any disciplinary action and need to include details of the disciplinary action taken.

Breaches of conduct rules by Certification employees are reported to the FCA once each year.

All conduct rules incidents will be reported to the FCA by the Head of Regulation.

6. Minimum Standards

a) Identifying an Incident

All incidents need to be notified as soon as possible. The identification of an incident could arise from any of the following:

- Employees and line managers identifying a process or activity that is not in compliance with Golden Leaves' policy.
- The identification of a regulatory/policy limit incident
- A compliance oversight activity may identify a failure to comply with an approved policy and/or a procedure

b) Classification and Management

Incidents need to be classified into one of the following four groups:

- People – impact caused intentionally or unintentionally by an employee
- Process – impact caused by the failure in execution of process
- Systems – Impact caused by a failure, breakdown or other disruption in IT systems
- External – Impact caused by external events or third parties.

The materiality of the incident also needs to be determined, depending on customer impact, financial impact and/or reputational damage. Please refer to Appendix 1.

Incident owners must take responsibility for investigating and resolving incidents in a timely manner.

Any medium, high or critical impact incidents must also be notified to the Head of Regulation immediately, who will escalate the matter as appropriate.

An incident must be logged promptly on the Incident Register by the individual owner and the register will be maintained by the Head of Regulation.

c) Closure of an incident

The individual business owner is responsible for resolving an incident before they can mark it as closed on the Incident Register. The incident should not be closed until all remedial actions have been completed.

Insignificant or low severity incidents can be closed by the incident owner. Closure of incidents assessed as medium, high or critical impact must be approved by the Head of Regulation.

d) FCA/Other Regulator Notification

Golden Leaves is required to notify the FCA immediately of anything it reasonably believes should be brought to the attention of the regulator, including a significant breach of any rule.

The Head of Regulation in conjunction with the CEO will assess the severity and impact of medium, high or critical impact incidents and will determine whether the FCA (and/or the ICO) needs to be notified given the severity of the incident. Records of the basis for notification (or why notification is not appropriate) will be maintained. Notifications to the FCA and other regulators will be made by the Head of Regulation.

7. Training

All staff will receive appropriate training on incidents, relevant to the risks for their roles and responsibilities, which will be repeated annually. This will be delivered by the Head of Regulation.

8. Oversight

All incidents will be reported **monthly as part of the Compliance MI pack to the Compliance and Risk Committee** ~~bi-monthly as part of the Compliance MI Pack to MOT meetings.~~ High and critical incidents will be reported promptly and in real time to the Board by the Head of Regulation.

Reporting of incidents will include details of the root causes and any analysis of recurring incidents including system/procedure changes to enable GL to take appropriate corrective actions where required.

9. Record Keeping

Records will be kept for 6 years following the incident. The records will include the following details:

- The nature of the incident
- All investigative findings
- Any correspondence between the company and a regulator such as the FCA, ICO etc.
- Rationale for notification (or non-notification, as appropriate) to any regulator

10. Annual Review

This policy will be reviewed by the Head of Regulation every year to ensure its alignment to appropriate legal and regulatory requirements as well as best practice compliance standards and its continued relevance to Golden Leaves' current and future operations.

Any changes to the policy will be approved by the Board.

11. Appendix 1: Incident Severity Assessment Matrix

Severity	Customer	Regulator/Reputation	Business Disruption	Financial Impact
Insignificant	Limited customer impact	Immaterial regulatory impact	Small incident that is managed as part of business as usual	<£1000
Low	Small number of customers impacted (< 5%)	Service to clients is moderately degraded. Some media interest	Local response with limited impact on management or colleagues	£1000 - £10,000
Medium	Some customers impacted (5% to 20%)	Potential regulatory incident Service to client is degraded or unavailable but likely to be shorted lived	Formal response invoked (e.g., BCP), 10% of colleagues affected or some impact on business objectives	£10,000 - £50,000
High	Major customer impact (>20%)	Certain regulatory incident Service to client is unavailable with likely remediation period uncertain Some wider public interest	Major incident, significant senior management involvement, 25% of colleagues affected, or medium impact on business objectives	£50,000 - £250,000
Critical	Major customer impact (>20%)	Certain major regulatory Incident Potential for suspension of licence and/or financial/ other sanctions. Service to clients is unavailable, likely to lead to significant remediation High level of media interest	Significant senior leadership involvement, 50% of colleagues affected, severe impact on business objectives	>£250,000